

2008 Annual Report



Idaho Falls Redevelopment Agency

ORGANIZATION AND MISSION

The Idaho Falls Redevelopment Agency, originally created on July 6, 1966, was re-established by the Idaho Falls Mayor and Council on October 20, 1988. Twenty years after its re-establishment, the Agency is charged with implementing three urban renewal plans: Snake River Urban Renewal Project Plan, River Commons Urban Renewal Plan, and Pancheri-Yellowstone Urban Renewal Plan. These three urban renewal districts encompass 688 acres in central Idaho Falls or approximately 5% of the city.

The Agency Board of Commissioners is comprised of seven individuals:

Robert Barnes, Chair
Greg Hill, Vice-Chair
LaMar John, Secretary-Treasurer
Thomas Hally
Lee Radford
Linda Martin
David Radford

David Radford, Bonneville County Board of Commissioners, was first appointed to the Board in 2003 to represent the interests of Bonneville County. Thomas Hally is the City Council liaison to the Board.

Ryan Armbruster of Elam and Burke serves as legal counsel to the Agency. Thane Sparks is the treasurer for the Agency, and Renee Magee is the executive director. Harlan Mann is a consultant for the Agency.

The mission of the Agency is to ***“To strengthen the tax base and promote the successful growth and development of the City of Idaho Falls by using, when necessary, tax increment financing to facilitate the construction of publicly owned infrastructure, giving due consideration to that which promotes and enhances the Snake River Greenbelt and encourages desirable land uses near that Greenbelt.”***

THE YEAR 2008

Work Session with City Council

Soon after the beginning of 2008, Agency Board members met with the Mayor and City Council of Idaho Falls to discuss the role and history of the Agency. The work session began with a



general history of tax increment financing within the State of Idaho and ended with the specific accomplishments of the Idaho Falls Redevelopment Agency. At the end of 2007, the increment value, i.e., the assessed valuation generated through urban renewal, of the Snake River Urban Renewal Area was \$96,764,760. Eighteen new businesses had started and approximately 1,000 job created in the district since its formation in 1988. The Agency had completed the following projects in the Snake River Urban Renewal District by the end of 2007:

Description of Project	Monies Spent
Lindsay-Utah Avenue (street and utilities)	\$2,111,648
South Utah Avenue (street)	\$687,435
Wardell-Mercury improvements (street and utilities)	\$969,374
John Hole's pedestrian safety improvements	\$90,000
Snake River walkway improvements	\$41,360
South Utah construction and utilities	\$1,194,000
Pancheri-Utah Avenue intersection improvements (1/2 cost)	\$298,000
Relocation of power lines	\$1,388,614
Milligan Road and utility improvements	\$395,615
Storm water facilities, landscaping, and demolition	\$297,200

Description of Project	Monies Spent
Utility improvements	\$409,473
Yellowstone: installation median with trees in downtown	\$235,414
Snake River Parkway (north of Pancheri)	\$200,455
TOTAL PRIOR PROJECTS	\$8,318,588

The above public improvements were financed by bond proceeds, loans, or cash reserves. In 1991, the Agency issued \$2,100,000 in tax increment bonds to reconstruct Lindsay and Utah Avenues north of Broadway . These were refinanced in 1996, and the maturity dates ranged from October, 1996, to October, 2005, with interest rates ranging from 4.1 percent to 5.65 percent. These bonds have been completely paid.

In June, 2002, the Agency signed a \$930,000 Parity Lien Limited Promissory Note, Series 2002, with an interest rate of 4.2 percent. The note matured on March 1, 2008, and the debt has been paid and satisfied. This loan was undertaken to finance street improvements in the Taylor Crossing development.

The Agency signed a \$1,500,000 Parity Lien Limited Recourse Promissory Note, Series 2004, on May 4, 2004. The note will mature on March 1, 2009. Again the interest rate is 4.2 percent. With the proceeds of this note, the Agency moved power lines located on the Snake River and Porter canal to Utah Avenue.

The Agency has entered into owner participation agreements with Renaissance Partners, Ball Ventures, and Taylor Crossing to finance public improvements. However, these agreements did not finance the \$8 million in public improvements listed above.



Hilton Garden Inn



In early 2008, the Agency assisted B&T Hotels II with asbestos abatement and demolition of the former Stardust Motel on Lindsay Boulevard and reimbursed B&T Hotels II for these costs in the amount of \$293,000. The Hilton Garden Inn opened in February, 2008, and the assessed valuation for real property is approximately \$4.4 million. This does not consider the assessed value of the personal property.

Pancheri-Yellowstone Urban Renewal District

The Pancheri-Yellowstone urban renewal district, with a term of 12 years, was created by the Mayor and Council of Idaho Falls in December, 2007. This area of 33 acres sandwiched between the Snake River and Yellowstone Highway and south of Pancheri Drive includes a former manufacturing facility, a lumber yard, and oil distribution businesses as well as open storage and vacant land. It has no public road system and is served by utilities which do not meet today's standards. In early 2008, the Agency entered into an owner participation agreement with Hotel Developers - Snake River LLC in which the Agency agreed to participate in Greenbelt improvements, utility relocation and trenching, and demolition in the amount of \$105,000. These improvements were spurred by the construction of the Candlewood Suites motel which opened in April, 2008. In December, 2008, the Agency approved a note with Hotel Developers - Snake River for \$99,482 for demolition, power line relocation, and utility trenching. As of October, 2008, the increment in assessed valuation due to Candlewood Suites was estimated to be \$1,874,485. At the end of 2008, when information became available on the personal property and occupancy value, the estimated increment in assessed valuation was \$4,438,261 in the district.



River Commons Urban Renewal District

The River Commons Urban Renewal District, a former gravel pit for Monroc, Inc., sits immediately south of Pancheri Drive and borders the Snake River. The district encompasses 211 acres and was created in 2004 at the request of the new owner of the pit, Ball Ventures. The Agency entered into an owner participation agreement with Ball Ventures in March, 2005, and agreed to participate in the construction of Snake River Parkway and Pier View Drive, reconstruction of Milligan Road, power line and utility improvements, storm drainage and



landscape improvements, and Greenbelt improvements. In July, 2008, the Agency entered into the first Limited Recourse Promissory Note, Series 2008, for the principal amount of \$6,866,310. This assistance in public improvements included the right-of-way purchase for Snake River Parkway and Pier View Drive as well as construction costs for these roads, including utilities, for the road ways. By year end, the increment in the River Commons District was estimated to be \$21,287,800.

Memorial Drive

When the Snake River Urban Renewal Project Plan was amended in December, 2006, downtown Idaho Falls was included within the district. The purpose of including the downtown area was to provide urban renewal and revenue allocation tools to enhance the downtown area by:

- Linking downtown to the existing Snake River Greenbelt,
- Creating open space and a gathering area,
- Enhancing public parking, and
- Improving streets, utility infrastructure, and landscaping.

The plan includes projects to reconstruct Memorial Drive, develop a landscaped median for Yellowstone Highway, replace deteriorated planters and improve intersections in the core of downtown, assist with a foot bridge across the Snake River, and assist with a future parking structure. In 2007, the Agency financed the median and enhanced landscaping for Yellowstone Highway between A Street and D Street for a cost of \$234,414.



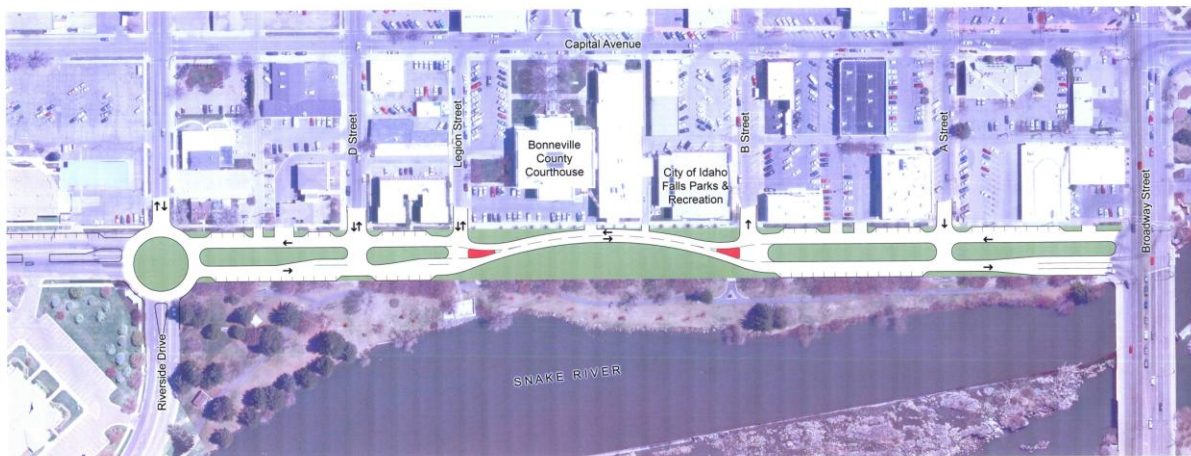
Figure 1 Proposed Yellowstone Median

In 2007, the Agency also entered into a contract with Carl Walker, a national parking consulting firm, to evaluate the parking downtown, including the impact of removing 210 long-term parking spaces from Memorial Drive. The study concluded:

- Sufficient replacement parking for Memorial Drive exists in the downtown area if employees are willing to walk longer distances or if shared parking agreements can be reached with the LDS Church, the U.S. Postal Service, and owners of other underutilized private parking lots
- Additional parking could be developed on Constitution Way and Legion Drive (50 to 75 spaces depending on design and turning configurations)

- Other surface parking lots in the area of D Street between Park and Capitol Avenues could provide an additional 70 to 134 spaces, again depending on design and parking standards
- Paid on-street parking should be implemented to move employees out of on-street parking
- Revenues from paid on-street parking should be dedicated to operation and maintenance of off-street public parking
- For a city the size of Idaho Falls, the most successful approach to financing the construction of a parking structure has been a community wide bond issue

In January, 2008, the Agency considered a staff proposal to hire a facilitator as well as an engineering firm with landscape architecture capabilities to involve stakeholders, including the general public, in setting criteria for the reconstruction of Memorial Drive, preparing concepts for Memorial Drive, reviewing such concepts with the stakeholders, and developing engineered plans suitable for bid documents from the selected concept. The cost for such an approach was anticipated to be \$70,000, and the time frame was ten months. The Idaho Falls Downtown Development Corporation instead volunteered to facilitate the process and provided the Agency with criteria for the reconstruction of Memorial Drive in July, 2008.



MEMORIAL DRIVE | OPTION 4
REVISED CONCEPT
12-11-2008

In August, 2008, the Agency moved to request city engineering to develop three concepts of Memorial Drive and to allocate \$10,000 to hire a landscape architecture firm to assist in the concepts. In October, 2008, the Agency entered into a contract with Pierson Land Works, landscape architects, for \$15,000 to provide three to five concepts for Memorial Drive based on the criteria developed by the Idaho Falls Downtown Development Corporation and modified by the Agency. During development of these draft concepts, the City of Idaho Falls engineering staff and other staff reviewed them to identify issues with city standards and emergency access. Five draft concepts were completed in December, 2008.

Also as part of the Memorial Drive project, the Agency entered into an agreement with Bonneville County to assist the County purchase property on Legion Drive for public parking. The Agency committed \$150,000 in November, 2008, and entered into an agreement with Bonneville County in December. Legion Drive was identified in the *Downtown Design Assessment* completed by Urban Development Services in 2006 and Carl Walker in their *Downtown Idaho Falls Parking Study*, 2007, as an area where additional parking for the court house could be constructed.

In 2008, the City of Idaho Falls Planning Department hired Project Engineering Consultants to complete a traffic study of Memorial Drive. The purpose of the study was to determine the impact of either closing Memorial Drive between A Street and D Street or modifying Memorial Drive alignment with curves, a paver surface, and all-way stops at the intersections of A Streets and D Streets with Memorial Drive. With the elimination of Memorial Drive as a viable route under either scenario, the study concluded traffic will be redistributed to the arterial streets in the area. One point of congestion will be E Street and, specifically, the

intersection of E Street and Yellowstone Highway. The study recommended by 2018, if the City selects either option for Memorial Drive, E Street be reconstructed with two lanes in each direction or E Street be converted to a one-way eastbound two-lane facility. By 2028, intersection improvements will be needed at Broadway and Yellowstone. Without reconstruction of Memorial Drive, intersection improvements were recommended for Yellowstone and Broadway as well as the removal of the signal at E Street with Shoup Avenue. The 2008 estimate for reconstructing E Street is \$1.1 million.

To summarize, the following were the steps taken on the Memorial Drive project in 2008:

- The City of Idaho Falls hired Project Engineering Consultants to study the impact of closing Memorial Drive to traffic or calming traffic on Memorial Drive substantially
- The Idaho Falls Downtown Development Corporation (IFDDC) volunteered to facilitate the stakeholders in developing criteria for the design of Memorial Drive
- City engineering reviewed the design for parking on Constitution Way and 20 to 25 additional parking spaces will be realized depending on the need for emergency access
- The Agency committed \$150,000 to Bonneville County for the purchase of property on Legion Drive for parking facilities
- The Agency commissioned Pierson Land Works to develop five concepts for Memorial Drive based on criteria developed by IFDDC and the Agency as well as background information in the *Downtown Design Assessment*, the Carl Walker parking study, and the Memorial Drive traffic study

The Agency has spent approximately \$437,500 in 2007 and 2008 towards accomplishing the goals of the 2006 amendment for downtown Idaho Falls.

Urban Renewal Agency of the City of Rexburg v. Kenneth W. Hart

The Agency engaged Dale Storer of Holden, Kidwell, Hahn, and Crapo to prepare an amicus curiae application with the Idaho Supreme Court in the appeal of *Urban Renewal Agency of the City of Rexburg v. Kenneth W. Hart*. The Idaho Falls Redevelopment Agency was one of nine agencies participating in developing the brief.

SUMMARY OF ‘INCREMENT VALUE’, IDAHO FALLS URBAN RENEWAL DISTRICTS, 2008

The following table shows the “base value” or assessed value prior to creation of the urban renewal area, the assessed value or taxable value of the urban renewal area today, and the “increment value” or increase in assessed value generated through urban renewal.

District	Base Value	Taxable Value	Increment Value
Snake River Amended	\$66,625,408	\$195,521,173	\$128,895,765
River Commons	\$263,690	\$21,551,490	\$21,287,800
Pancheri-Yellowstone	\$5,867,386	\$10,305,647	\$4,438,261

